

13 February 1951

MEMORANDUM FOR: THE DIRECTOR

SUBJECT: Bureau of the Budget Survey on Foreign Economic Reporting

1. By letter of 24 January (TAB C) the Bureau of the Budget forwarded this survey (TAB E) and a draft Executive Order (TAB D) to CIA and asked for comments on the Executive Order by 15 February 1951 and to be informed of the extent to which CIA will be able to adopt the improvements proposed in the survey.

2. After consultation with the principal interested offices of CIA and with the State Department I have prepared a reply for your signature (TAB A). The Assistant Director for Research and Reports and the General Counsel have not concurred in this reply. Their comments and suggested language are attached as TAB B, and pertain to the same point.

3. The question is whether CIA in view of its overall intelligence responsibilities should have explicit recognition in the Executive Order of its position in this particular intelligence activity, or whether CIA interests are adequately protected by:

a. The statement of national security data requirements in the economic field, which CIA is preparing.

b. Participation with the State Department in preparing a statement of the types of data appropriate for collection by the Foreign Service.

c. Participation with the State Department in the preparation of standards to be applied in accepting or rejecting requests and in assigning priorities.

d. The addition to paragraph 3 of the Executive Order as proposed in the attached letter for your signature (TAB A).

e. The fact that the decisions will rest with an office in the Administrative area (of the State Department) rather than in a competing intelligence organization, as at present.

f. The inherent authority of the DCI, his deputy, or any Assistant Director to make personal representations to the appropriate officials in the Department of State.

4. The General Counsel also suggests that no Executive Order is required under the law and that it would be preferable first to see whether agreement could be reached on the standards and priorities which shall govern the treatment of requests. Resort to Executive Order might be had in the event of final disagreement and it then would be designed to cover the specific field of difference.

5. Other comments from CIA offices are appended as TAB F for reference purposes only.

RECOMMENDATION:

6. That you sign the attached letter to the Bureau of the Budget (TAB A). In case you prefer the position of the General Counsel and AD/RR, however, an alternative letter for your possible signature is attached under TAB B.

CONCURRENCES: (See written comments in TAB F)

Assistant Director, Collection and Dissemination
Assistant Director, Scientific Intelligence
Assistant Director, Operations
Advisor for Management

JAMES Q. REIMER
Acting Assistant Director,
Intelligence Coordination